

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 118**

Introduced By: Banking, Commerce and Insurance Committee; Pahls, 31,  
Chairperson; Carlson, 38; Christensen, 44; Gay, 14;  
Hansen, 42; Langemeier, 23; Pankonin, 2; Pirsch, 4

Read first time: January 8, 2007

Committee: Banking, Commerce and Insurance

A BILL

1       FOR AN ACT relating to the Comprehensive Health Insurance Pool  
2               Act; to amend section 44-4224, Reissue Revised Statutes of  
3               Nebraska, and sections 44-4221 and 44-4222, Revised Statutes  
4               Cumulative Supplement, 2006; to change provisions relating  
5               to eligibility for pool coverage and the duties of the  
6               administering insurer; and to repeal the original sections.

7       Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 44-4221, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           44-4221. (1) To be eligible to purchase health insurance  
4 coverage from the pool, an individual shall:

5           (a) Be a resident of the state for a period of at least six  
6 months and shall:

7           (i) Have received, within six months prior to application to  
8 the pool, a rejection in writing, for reasons of health, from an  
9 insurer;

10           (ii) Currently have, or have been offered within six months  
11 prior to application to the pool, health insurance coverage by an  
12 insurer which includes a restrictive rider which limits insurance  
13 coverage for a preexisting medical condition; ~~or~~

14           (iii) Have been refused health insurance coverage comparable  
15 to the pool, or have been offered such coverage at a rate exceeding  
16 the premium rate for pool coverage, within six months prior to  
17 application to the pool; or

18           ~~(iv) Not be eligible for coverage under a group health~~  
19 ~~plan;~~

20           (b) Be a resident of the state for any length of time and be  
21 an individual:

22           (i) For whom, as of the date the individual seeks pool  
23 coverage under this section, the aggregate of the periods of  
24 creditable coverage is eighteen or more months and whose most recent  
25 prior creditable coverage was under a group health plan, governmental  
26 plan, or church plan;

27           (ii) Who is not eligible for coverage under a group health

1 plan, medicare, or medical assistance pursuant to the Medical  
2 Assistance Act or section 43-522, or any successor program, and who  
3 does not have any other health insurance coverage;

4 (iii) With respect to whom the most recent prior creditable  
5 coverage was not terminated for factors relating to nonpayment of  
6 premiums or fraud; and

7 (iv)(A) Who, if such individual was offered the option of  
8 continuation coverage under COBRA or under a similar program, both  
9 elected such continuation coverage and exhausted such continuation  
10 coverage, or (B) who had been offered the option of continuation  
11 coverage under COBRA or under a similar program at a premium rate  
12 higher than that available from the pool; or

13 (c) Be a resident of the state for any length of time and be  
14 a qualified trade adjustment assistance eligible individual.

15 (2) The board may adopt and promulgate a list of medical or  
16 health conditions for which an individual would be eligible for pool  
17 coverage without applying for health insurance coverage pursuant to  
18 subdivision (1)(a) of this section. Individuals who can demonstrate  
19 the existence or history of any medical or health conditions on the  
20 list adopted and promulgated by the board shall be eligible to apply  
21 directly to the pool for health insurance coverage.

22 Sec. 2. Section 44-4222, Revised Statutes Cumulative  
23 Supplement, 2006, is amended to read:

24 44-4222. (1) An individual shall not be eligible for initial  
25 or continued pool coverage if:

26 (a) He or she is eligible for medicare benefits by reason of  
27 age or medical assistance established pursuant to the Medical

1 Assistance Act;

2 (b) He or she is a resident or inmate of a correctional  
3 facility, except that this subdivision shall not apply if such  
4 individual is eligible for pool coverage under subdivision (1)(b) of  
5 section 44-4221;

6 (c) He or she has terminated pool coverage unless twelve  
7 months have elapsed since such termination, except that this  
8 subdivision shall not apply if such individual has received and become  
9 ineligible for medical assistance pursuant to the Medical Assistance  
10 Act during the immediately preceding twelve months, if such individual  
11 is eligible for pool coverage under subdivision (1)(b) of section  
12 44-4221, or if such individual is eligible for waiver of any waiting  
13 period or preexisting condition exclusions pursuant to section  
14 44-4228;

15 (d) The pool has paid out one million dollars in claims for  
16 the individual; ~~or~~

17 (e) He or she is no longer a resident of Nebraska; ~~or~~

18 (f) The premium for his or her pool coverage is paid by any  
19 person not related to him or her by blood, marriage, or adoption; or

20 (g) He or she fails to provide information or records  
21 requested by the administrator in order to determine continuing  
22 eligibility for pool coverage.

23 (2) Pool coverage shall terminate for any individual on the  
24 date the individual becomes ineligible under subsection (1) of this  
25 section.

26 Sec. 3. Section 44-4224, Reissue Revised Statutes of  
27 Nebraska, is amended to read:

1           44-4224. The administering insurer shall:

2           (1) Perform all eligibility verification functions relating  
3 to the pool, including the collection of information as may be  
4 necessary to determine eligibility for pool coverage. State agencies  
5 may release such information to the administering insurer

6           (2) Establish a premium billing procedure for collection of  
7 premiums from covered individuals on a periodic basis as determined by  
8 the board;

9           (3) Perform all necessary functions to assure timely payment  
10 of benefits to covered individuals, including:

11           (a) Making available information relating to the proper  
12 manner of submitting a claim for benefits to the pool and distributing  
13 forms upon which submission shall be made; and

14           (b) Evaluating the eligibility of each claim for payment by  
15 the pool;

16           (4) Submit regular reports to the board regarding the  
17 operation of the pool. The frequency, content, and form of the reports  
18 shall be determined by the board;

19           (5) Following the close of each calendar year, report such  
20 income and expense items as directed by the board to the board and the  
21 department on a form prescribed by the director; and

22           (6) Be paid as provided in the plan of operation for its  
23 expenses incurred in the performance of its services to the pool.

24           Sec. 4. Original section 44-4224, Reissue Revised Statutes  
25 of Nebraska, and sections 44-4221 and 44-4222, Revised Statutes  
26 Cumulative Supplement, 2006, are repealed.